



LASERS

LOUISIANA STATE EMPLOYEES'
RETIREMENT SYSTEM

BEAM

Quarterly Membership Newsletter

Summer, 2006

Volume 17, Number 2

ACTS OF THE 2006 REGULAR SESSION OF THE LOUISIANA LEGISLATURE

The 2006 regular legislative session concluded on June 19. What follows are summaries of the **Acts of the 2006 Regular Session of the Louisiana Legislature** which affect LASERS and its members:

Act 642 (House Bill 1208) allocates \$13,600,000 in state payments toward the LASERS initial unfunded accrued liability (UAL). The UAL is the difference between the projected cost of providing retirement benefits to LASERS retirees and the funds available to pay those benefits. The Act went into effect on June 28, 2006.

Act 672 (House Bill 45) is also known as the Early Retirement and Payroll Reduction Act of 2006. This Act allows LASERS members who have reached the age of 50, and who have earned at least 10 years worth of service credit in LASERS to enter into early retirement with an actuarially reduced retirement allowance, with the goal of an overall reduction in state payroll costs.

Positions vacated under the provisions of this Act will be abolished, with certain exceptions for the Dept. of Social Services, the Dept. of Public Safety and Corrections and the LSU health care services division. Act 672 went into effect on June 29, 2006.

Act 678 (House Bill 178) allows members who were participating in

the Deferred Retirement Option Plan (DROP), and who were terminated in the aftermath of hurricanes Katrina and Rita, to adjust the period of their DROP "windows." In addition, the Act allows for participation in DROP for members who are re-employed within one year of their furlough or termination, with a closing date of December 31, 2006. Act 678 went into effect on June 29, 2006.

Act 770 (House Bill 761) establishes that for any member of LASERS who joined the system on or before September 7, 1979, and is under the age of 60, any decision to withdraw from LASERS is an irrevocable decision.

In addition, Act 770 of 2006 prohibits any retiree participating in DROP or IBO, or any participant of early retirement, from regaining active membership in LASERS by returning to work under Rehired Retiree Option 2. Option 2 is characterized by the ability of a retiree to restore service credit by repaying: all retirement benefits received from the system plus actuarially calculated interest from the date received until the date repaid; an amount equal to the employee and employer contributions, plus actuarially calculated interest, which would have been paid had the retiree become a member when he resumed covered employment.

The Act requires disability retirees to convert unused annual and sick leave

to retirement credit. Previously, the affected members could convert their unused leave to cash.

The Act changes the time frame for collection of undue paid benefits from 10 years to three years, except in cases of fraud. In cases of fraud, the time frame for collection remains 10 years. The Act went into effect on July 1, 2006.

Act 835 (House Bill 816) creates a new retirement plan for peace officers employed by the Dept. of Public Safety and Corrections, Office of State Police. Eligible participants will pay a contribution rate of 9 percent and will enjoy an accrual rate of 3 1/3 percent. The Act went into effect on July 1, 2006.

Senate Concurrent Resolution 94 authorizes the LASERS Board of Trustees to grant a 2.4 percent Cost-of-Living Adjustment (COLA) to eligible retirees and beneficiaries. To receive a COLA, a regular LASERS retiree must have reached the age of 55 as of June 30, 2006, and must have been retired since June 30, 2005.

An eligible beneficiary will receive a COLA if the deceased retiree would have been 55 years old as of June 30, 2006, and if retiree or survivor benefits have been paid since June 30, 2005. An eligible disability retiree must have been retired as of June 30, 2005. Senate Concurrent Resolution 94 went into effect on July 1, 2006.

LASERS WELCOMES NEW DEPUTY DIRECTOR

Maris LeBlanc is the new Deputy Director of LASERS.

Ms. LeBlanc joins your retirement system after having served as Executive Counsel at the Louisiana Division of Administration. She began her career in state government in 1985, after graduating Magna Cum Laude in business administration and earning her law degree from LSU. She has been a member of the Louisiana Bar since 1985.

Ms. LeBlanc has worked also as Deputy General Counsel at the Louisiana

Ethics Administration, where she was instrumental in enforcing the state's ethics laws, as well as campaign finance and lobbying laws.

LASERS Executive Director Cindy Rougeou says, "Maris' knowledge of state government and her reputation for integrity are well known throughout Louisiana. Her extensive knowledge of the legislative process will be an invaluable resource for LASERS."

We are proud to welcome Maris LeBlanc to the LASERS team.



Maris LeBlanc

The Board Memo

by **Connie Carlton,**
2006 LASERS Board Chair

The 2006 Regular Session of the Louisiana Legislature was very successful for LASERS and its members.

The big news this year is that the phenomenal performance of the LASERS investments program permitted your Board of Trustees to recommend a Cost-of-Living Adjustment for the first time since 2002.

Lawmakers approved Senate Concurrent Resolution 94, and as a result, eligible retirees received a 2.4 percent COLA to their benefit payments. I wish to thank LASERS Executive Director Cindy Rougeou and her staff for their hard work in making the COLA a reality. Thanks also to Sen. Butch Gautreaux, who chairs the Senate Committee on Retirement, and to House Committee on Retirement Chair Rep. Pete Schneider, who guided the COLA resolution through the House of Representatives in the closing days of the session.

The session also yielded good

news for DROP participants whose employment was interrupted by lay-off or furlough following hurricanes Katrina and Rita. Those members can now re-enter DROP if they return to state employment by December 31, 2006.

The staff and management of LASERS also worked hard to defeat dozens of pieces of special-interest retirement legislation which would have cost the system millions of dollars. And our thanks also to the Retired State Employees Association (RSEA) for all their help during this critical session.

LASERS INVESTMENTS PORTFOLIO YIELDS GREAT RETURNS

The LASERS investments program earned an outstanding 11.9 percent return for the fiscal year ended June 30, 2006.

This performance exceeds by far the legislatively-mandated minimum return of 8.25 percent, and even beats the Standard & Poor's 500 index of 8.6 percent for the same reporting period.

FISCAL YEAR RETURNS BREAKDOWN BY QUARTER

	Q1	Q2	Q3	Q4
	<i>Ending 9/30/05</i>	<i>Ending 12/31/05</i>	<i>Ending 3/31/06</i>	<i>Ending 6/30/06</i>
LASERS Total Plan	4.2%	6.4%	12.3%	11.9%
S&P 500	3.6%	5.8%	10.2%	8.6%

PLEASE UPDATE YOUR ADDRESS

If you have moved recently, it is important to ensure that LASERS has your most current mailing address on file. Throughout the year, we send important items to you through the mail, such as your Member's Annual Account Statement, 1099 federal tax statements for retirees, and the *LASERS Beam*.

Updating your address with LASERS is easy. Simply visit the "Forms" page of the LASERS website at lasersonline.org. Fill out the *Change of Address* form, sign it and mail it to:

LASERS
P.O. Box 44213
Baton Rouge, LA 70809-4213

LASERS EMPLOYEE OF THE QUARTER



Carolyn Barr is the LASERS Employee of the Quarter for the second quarter of 2006.

Carolyn works in the LASERS Fiscal Division, and has been assigned to work as a consultant with the LASERS pension administration system re-

engineering project. Her expertise makes her an invaluable resource to the team.

In nominating her for this honor, Carolyn's co-workers wrote, "Carolyn has worked late, taken work home and done whatever it takes to meet deadlines. She is extremely knowledgeable about LASERS business systems. Because of her positive attitude, patience, understanding and work ethic, Carolyn deserves to be Employee of the Quarter."

Congratulations, Carolyn, and thanks for all your great work!



Attend the LASERS

Post-Retirement Workshop

WHEN:

November 8, 2006, 9:00AM - 11:30AM

WHERE:

Louisiana Retirement Systems Building, 4th Floor Board Room
8401 United Plaza Boulevard, Baton Rouge, LA 70809

PROGRAM INCLUDES:

- Social Security Information
- Investment Information
- Networking

If you would like to attend, you may complete and mail the registration form below, email jharris@lasersonline.org or call Janet Harris @ 225-922-0819.

Name: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Phone Number: _____

Will spouse be attending? ____ Yes ____ No

If yes, please give name: _____

(seating is limited so please register early)



Return this form to:

LASERS
ATTENTION: Janet Harris
P.O. Box 44213
Baton Rouge, LA 70804-4213

FROM THE DESK OF CINDY ROUGEOU

LASERS EXECUTIVE DIRECTOR

It is time for every LASERS retiree to begin enjoying the benefits of direct deposit. Currently, more than seven thousand LASERS retirees receive their benefits by paper check. Hurricanes Katrina and Rita demonstrated that this is an unreliable and inefficient method of benefit payment. In the aftermath of the storms, thousands of retirees had to wait several weeks for their checks. Meanwhile, those who receive their benefits via direct deposit had immediate access to the money they needed to begin rebuilding their lives.

With direct deposit, your benefit payment goes directly into your bank account. No matter what disruptions occur with the mail delivery system, you will receive your money.

I understand that many people either do not have checking accounts or choose not to use them for direct deposit. For those retirees, LASERS is considering a new benefit payment system. Your paper check would be replaced by the **LASERS Paycard**, which resembles a credit card. It is actually a bank debit card. Every month, your retirement benefit payment would be deposited into a special LASERS Paycard account. You could then use the card at any store that accepts credit or debit cards, or you could use it at any ATM to withdraw cash. Each time you used your Paycard, it would draw down on the balance until you are paid again the following month.

Before we make the decision to eliminate paper checks in favor of the LASERS Paycard, we hope all of our members will begin taking advantage of direct deposit for their hard-earned retirement benefits. Signing up for direct deposit is easy. Just complete and mail the *Authorization for Direct Deposit* form, which you can find on the "Forms" page of the LASERS website, **www.lasersonline.org**.

If you have any questions, please call one of our helpful Member Services representatives at (225) 922-0600 or (800) 256-3000.

LASERS Board of Trustees

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Cynthia Bridges - (225) 219-2700

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Cindy Rougeou

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Public Information Officer

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